

OFFICE OF THE ECONOMIC RECOVERY AND REINVESTMENT

MEETING OF THE ENERGY REVIEW TEAM

PUBLIC SESSION

November 16, 2009

The OERR Energy Review Team met on Monday, November 16, 2009 in Public Session in the offices of the Department of Administration, One Capitol Hill, Providence, Rhode Island pursuant to notice of the meeting to all Members and public notice of meeting, a copy of which is attached hereto, as required by applicable Rhode Island Law.

The following Members were present and participated throughout the meeting as indicated: Dr. David Farmer, Chairperson; John Farley; J. Michael Saul; Thomas Ahern; Kevin Flynn; Noreen Shawcross; Beth Cotter and Dr. Marie Ganim.

Also present were panel staff and several members from the public.

Welcome

Dr. Farmer called the meeting to order at 10:07 am after welcoming everyone and informing the group there were several big issues to

address.

Approval of Minutes

The minutes of the October 26, 2009 meeting were approved upon a motion duly made by Mr. John Farley and seconded by Mr. Thomas Ahern.

Status of ARRA-SEP Residential Energy Efficiency

Dr. Farmer then turned the meeting over to Dr. Kenneth Payne. Dr. Payne informed the group that the Office received 3 bids pursuant to the Residential Energy Efficiency RFP. The solicitation went out, bids came back and the Office will now establish the necessary technical review committee to review the bids and select an awardee. Dr. Payne stated the important thing to note was that a solicitation went out successfully and bids were received, representing the first movement of a substantial amount of funding.

ARRA-SEP Non-Utility Scale Renewable Energy

Dr. Payne went on to discuss the status of the Non-Utility Scale Renewable Energy portion of the ARRA-SEP. Members of the Team and participants from the public received the fourth version of the draft working rules. Dr. Payne requested the team send any final comments and suggestions to him by mid-week. After the final

revision the rules will then go to public hearing to be adopted and solidifying the commencement of the solicitation process for non-utility scale renewable projects.

Dr. Payne stated the Office has now been assigned legal council with the Department of Administration, Mr. John Langlois, from the Department of Environmental Management. He has been assigned specifically to this project and is very familiar with rule making.

Dr. Payne went on to discuss that the Community Review Session, held on November 5th at the Department of Health, 3 Capitol Hill, Providence, Rhode Island resulted in approximately eighty-five to ninety attendees that were able to voice their questions or comments.

These comments/questions were included in the second set of revisions. The third set of revisions for the draft rules included regulations in regard to the DOE National Environmental Policy Act (NEPA) requirements and the fourth draft, which was presented to the team at this meeting, made sure the rules met state purchasing expectations.

Revisions were made to the definition of contractors, sub-recipients, prime recipients, vendors and sub-recipient vendors. They are all consistent with the ARRA usage of the term.

Another set of revisions threaded throughout the draft is how to avoid Environmental Impact Statements (EIS). If a project is at an existing facility, and is consistent with local planning, zoning, etc., then it would not trigger a NEPA requirement. On a project exclusive basis, the Office will have the opportunity to ask the Department of Energy if a project is categorically exclusive. Finally, projects with an

EIS requirement will only be accepted if the EIS results in no impact.

The final major change in these draft rules dealt with the definition of 'Project' and 'Project Cost'. The definitions were initially based off of the Economic Development Corporation's Renewable Energy Fund regulations and definitions, which lead to a broad definition. A suggestion was made during the community meeting to use something that was analogous to what a renewable energy project definition is for federal tax purposes. While recognizing some differences, this change in definition was included in the fourth revision.

Dr. Payne acknowledged that during the community review it had been suggested that the funding rounds for non-utility scale projects be spread over multiple years, to avoid a large economic spike and then decline. Dr. Payne agreed this would be wise, however would require a significant program redesign and was therefore not placed in this set of revisions without the Team's approval of the redesign. Mr. J. Michael Saul expressed that if the funding was spread over 2 years, allowing some time for the market to bounce back, more homeowners would be confident to apply.

Dr. Payne informed the Team that the distinction between large and small commercial industrial was maintained as categories of applicants, however there will be no distinction in terms of project sizes. Dr. Payne also added a provision E, found in section 4.05, describing that the Office may establish a program where individuals are considered the beneficiaries and is designed so ARRA reporting requirements are not imposed on individual households. This

includes tenement households.

Another significant change, under section 5.04, was made after meeting with state purchasing. Reference to the state purchasing law is now present as to avoid those individuals that do not comply. As a result, under these regulations, the establishment of a technical review committee is allowed, and that committee must have the majority of the members being drawn from state government. These members must enter into confidentiality agreements and ensure proper ranking. The Chief Purchasing Officer will then have final authority to certify proper ranking of the proposals submitted.

ARRA-EECBG Outline of Proposed Rules

Dr. Payne informed the group he had hoped to have rules typed for the ARRA-EECBG before the morning's meeting, however was unable. He gave a quick overview of the key items that would be sent out later that day. The Office will be using, in general terms, the same logic as the Small Cities Community Development Block Grant. A planning board review will not be written in, however it will be written in that the submission must contain council approval to ensure it is a formal application by the community. Also, applicants must provide a strategy for achieving energy efficiency and conservation goals for the community and the full range of each EECBG activity will be eligibility rather than just a selection of them. The mechanics will be similar, just with a change of format due to the focus being on cities and towns

Future Solicitations

The public can expect to see new draft regulations, but no formal solicitations before the commencement of next year. Another set of regulations will roll out in January 2010.

Other Business/Public Comment

There was no other business to discuss, nor any public comments to address.

Next Energy Review Team Meeting

The next Energy Review Team meeting will be held on January 12, 2010 at 10:00 am in the offices of the Department of Administration, One Capitol Hill, Providence, Rhode Island.

Adjournment

The meeting was adjourned at 11:09 am.

Kristen A. Coogan

Secretary